

AMENDED IN SENATE APRIL 10, 1997

SENATE BILL

No. 703

Introduced by Senator Rainey

February 25, 1997

An act to amend ~~Section~~ *Sections 6351 and 6353* of the Public Utilities Code, relating to energy transporters.

LEGISLATIVE COUNSEL'S DIGEST

SB 703, as amended, Rainey. Franchises.

Existing law requires a transportation customer, as defined, who receives transportation service from an energy transporter, as defined, to pay a municipal surcharge as specified, for the use of public lands by a transportation customer.

This bill would ~~make technical changes~~ *specify that for electricity, the energy transporter shall use the Power Exchange energy charge, as defined, as authorized by the Public Utilities Commission exclusive of any California sourced franchise fee factor* in provisions concerning the calculation of the required surcharge.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. *Section 6351 of the Public Utilities Code*
- 2 *is amended to read:*
- 3 6351. As used in this chapter:
- 4 (a) "Municipality" includes counties.

(b) “Energy transporter” means and includes every utility and nonutility owner or operator, or both, of a natural gas or electric transmission or distribution system, or both, subject to a franchise agreement executed pursuant to this division, provided that proprietary gas pipelines whose franchise fees are set forth in Article 2 (commencing with Section 6231) of Chapter 2 shall not be covered by this chapter.

(c) “Transportation customer” means every person, firm, or corporation, other than the State of California or a political subdivision thereof, transporting gas or electricity on an energy transporter’s transmission or distribution system, or both, when the gas or electricity was purchased by the transportation customer from a third party. Transportation customer shall not include one gas utility transporting gas, for end use in its commission designated service area through another gas utility’s service area, nor shall transportation customer include a utility transporting its own gas through its own gas transmission or distribution system, or both, for purposes of generating electricity or for use in its own operations.

(d) “Surcharge” means a municipal surcharge for the use of public lands by a transportation customer as defined in subdivision (c).

(e) *“Power Exchange energy charge” shall be based on the weighted average of the day-ahead, hour-ahead, and spot prices from the Power Exchange, pursuant to Section 355.*

SEC. 2. Section 6353 of the Public Utilities Code is amended to read:

6353. For purpose of calculating the surcharge required in Section 6352, the energy transporter shall do the following:

(a) For each transportation customer, determine the volume of transported gas or electricity, in therms or kilowatt hours respectively, subject to the surcharge.

(b) Determine the weighted average cost of the energy transporter’s gas or electricity. For gas, the energy transporter shall use its tariffed core subscription

1 weighted average cost of gas (WACOG) exclusive of any
2 California sourced franchise fee factor. *For electricity,*
3 *the energy transporter shall use the Power Exchange*
4 *energy charge as authorized by the commission, exclusive*
5 *of any California sourced franchise fee factor.* For an
6 energy transporter that does not provide gas or electricity
7 at a commission tariffed rate, the energy transporter ~~will~~
8 *shall* use the equivalent tariffed rate of the commission
9 regulated energy transporter operating in the same
10 service area.

11 (c) Determine a product for each transportation
12 customer by multiplying the volume determined
13 pursuant to subdivision (a) by the weighted average cost
14 determined pursuant to subdivision (b).

15 (d) Determine the surcharge ~~applied~~ *applicable* to
16 each transportation customer by multiplying the product
17 determined pursuant to subdivision (c) by the sum of the
18 franchise fee factor plus any franchise fee surcharge
19 authorized for the energy transporter as approved by the
20 commission in the energy transporter's most recent
21 proceeding in which those factors and surcharges were
22 set. Energy transporters not regulated by the commission
23 shall multiply the product determined in subdivision (c)
24 by the franchise fee rate contained in their individual
25 franchise agreements in effect in each municipality.

26 (e) The surcharge assessed pursuant to this chapter
27 applies only to the end use point.

